

OPER. OGRID NO. 873
 PROPERTY NO. 24427
 POOL CODE 30350
 EFF. DATE 4/29/04
 APPL API NO. 30-025-36686

FORM APPROVED
 OMB No. 1004-0136
 Expires November 30, 2000

EC

1a. Type of Work: DRILL REENTER
 1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

CONFIDENTIAL

5. Lease Serial No.
NMNM90161
 6. If Indian, Allottee or Tribe Name

2. Name of Operator
APACHE CORPORATION
 Contact: BONNIE JONES
 E-Mail: bonitaj@cableone.net

7. If Unit or CA Agreement, Name and No.
 8. Lease Name and Well No.
HAWK B-1 37

3a. Address
6120 SOUTH YALE, SUITE 1500
TULSA, OK 74136-4224

3b. Phone No. (include area code)
Ph: 505.624.9799
Fx: 505.624.9799

9. API Well No.
30-025-36686
 10. Field and Pool, or Exploratory
PENROSE SKELLY

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
 At surface NESE Lot 1 2590FSL 1310FEL
 At proposed prod. zone NESE 2590FSL 1310FEL
SUBJECT TO LIKE APPROVAL BY STATE
Unit I

11. Sec., T., R., M., or Blk. and Survey or Area
 Sec 9 T21S R37E Mer NMP
 SME: FEE

14. Distance in miles and direction from nearest town or post office*
3 MILES NORTHWEST OF EUNICE, NM

12. County or Parish
LEA
 13. State
NM

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
50'

16. No. of Acres in Lease
958.25

17. Spacing Unit dedicated to this well
40.00'

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
885.5'

19. Proposed Depth
4150 MD
4150 TVD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KB, RT, GL, etc.)
3474 GL

22. Approximate date work will start
12/15/2003

23. Estimated duration
15 DAYS

24. Attachments **Captain Controlled Water Basin**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission) Name (Printed/Typed) BONNIE JONES Date 11/17/2003

Title AGENT

Approved by (Signature) /s/ JOE G. LARA Name (Printed/Typed) /s/ JOE G. LARA Date DEC 15 2003

Title FIELD MANAGER Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #25168 verified by the BLM Well Information System
 For APACHE CORPORATION, sent to the Hobbs
 Not submitted to AFMSS for processing by ARMANDO LOPEZ on 11/17/2003 (04AL0042AE)

OK

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

DECLARED WATER BASIN
 CEMENT BEHIND THE 8 3/8"
 CASING MUST BE CIRCULATED
 CEMENT BEHIND THE 5 1/2"
 CASING MUST BE CIRCULATED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

DISTRICT I
P.O. Box 1888, Santa Fe, NM 87501-1888

DISTRICT II
P.O. Box 100, Arroyo, NM 86211-0100

DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

EXHIBIT D-1

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-36686	Pool Code 50350	Pool Name Penrose Skelly; Grayburg
Property Code 24427	Property Name HAWK B-1	Well Number 37
OGRID No. 873	Operator Name APACHE CORPORATION	ELEVATION 3474'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	9	21-S	37-E		2590'	SOUTH	1310'	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40.00	Joint or Infill	Consolidation Code	Order No. N/S L-5032<SD>
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODEIC COORDINATES NAD 27 NME Y = 545100.0 N X = 860784.8 E LAT. 32°28'35.34"N LONG. 103°09'47.59"W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michelle Hanson</i> Signature</p> <p>Michelle Hanson Printed Name</p> <p>Drilling Tech Title</p> <p>9/22/03 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>August 06, 2003</p> <p>Date Surveyed _____ A.W.B.</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Gibson</i> 8/18/03</p> <p>Certification No. RONALD J. GIBSON 3838 GARY RUSTEN 12841</p>

DISTRICT I
P.O. Box 1898, Hobbs, NM 88241-1898

DISTRICT II
P.O. Drawer 80, Arisaca, NM 88211-0710

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies

EXHIBIT D-2

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name HAWK B-1	Well Number 37
OGRID No.	Operator Name APACHE CORPORATION	ELEVATION 3474'

Surface Location

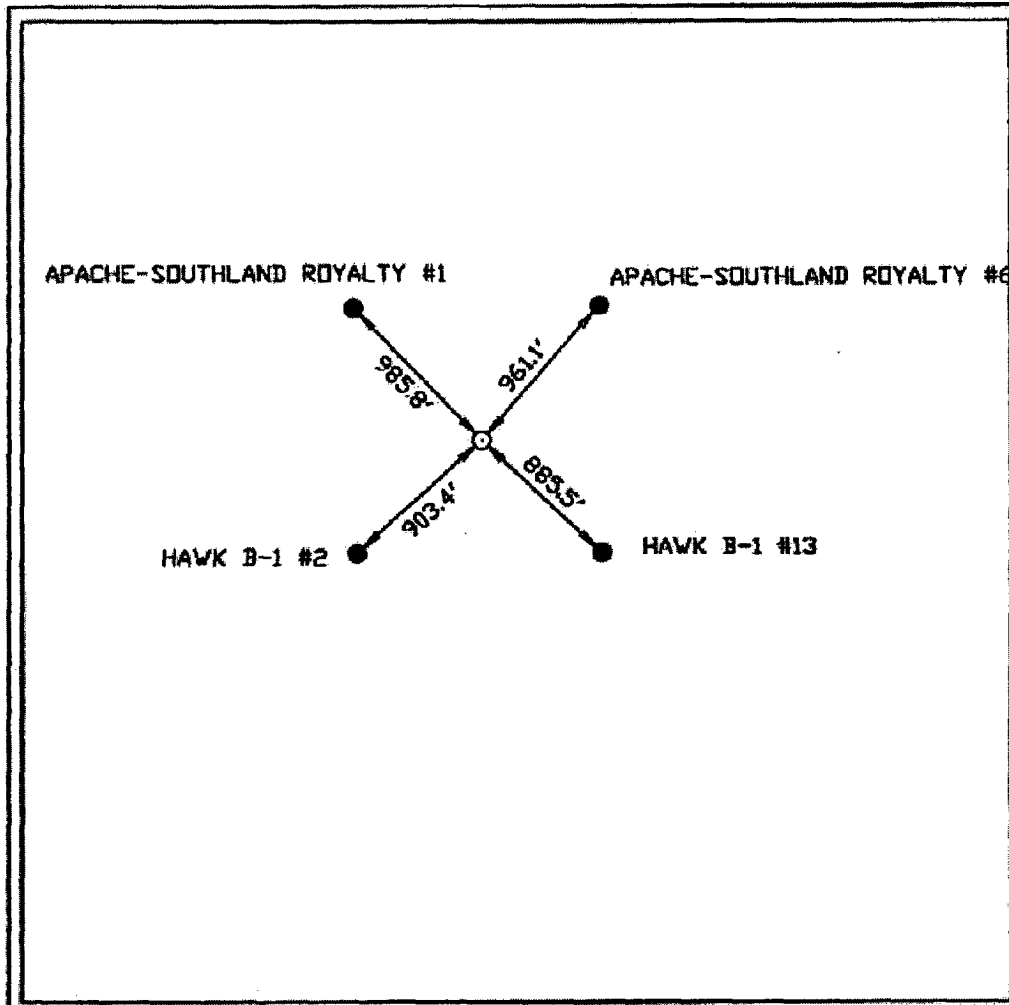
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	9	21-S	37-E		2590'	SOUTH	1310'	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Title _____

Date _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

August 06, 2003

Date Surveyed _____ A.W.B.

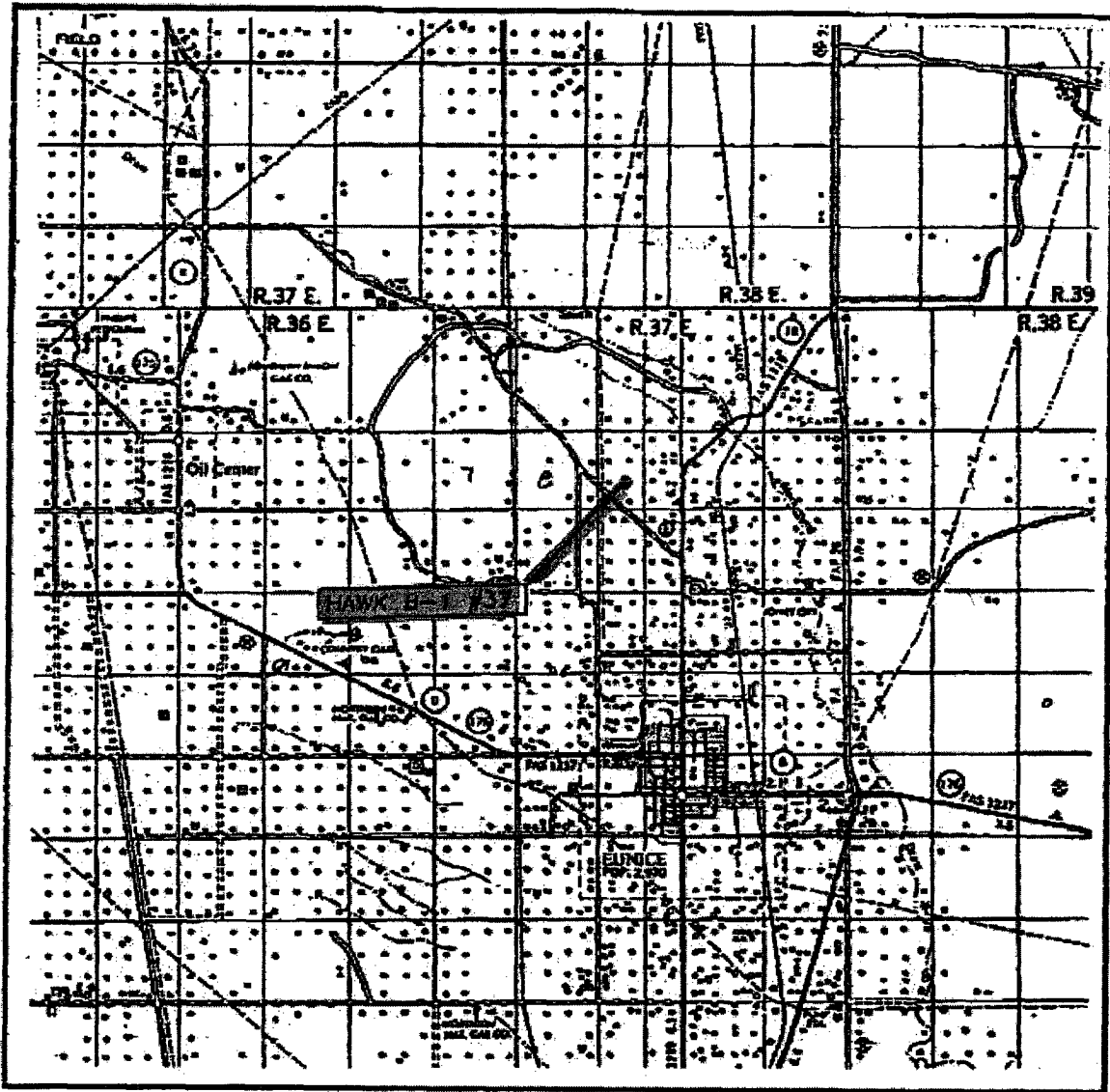
Signature & Seal of Professional Surveyor _____

03.11.0845

Certificate No. DONALD A. EIDSON 3239
GARY EIDSON 12841

VICINITY MAP

EXHIBIT E-1



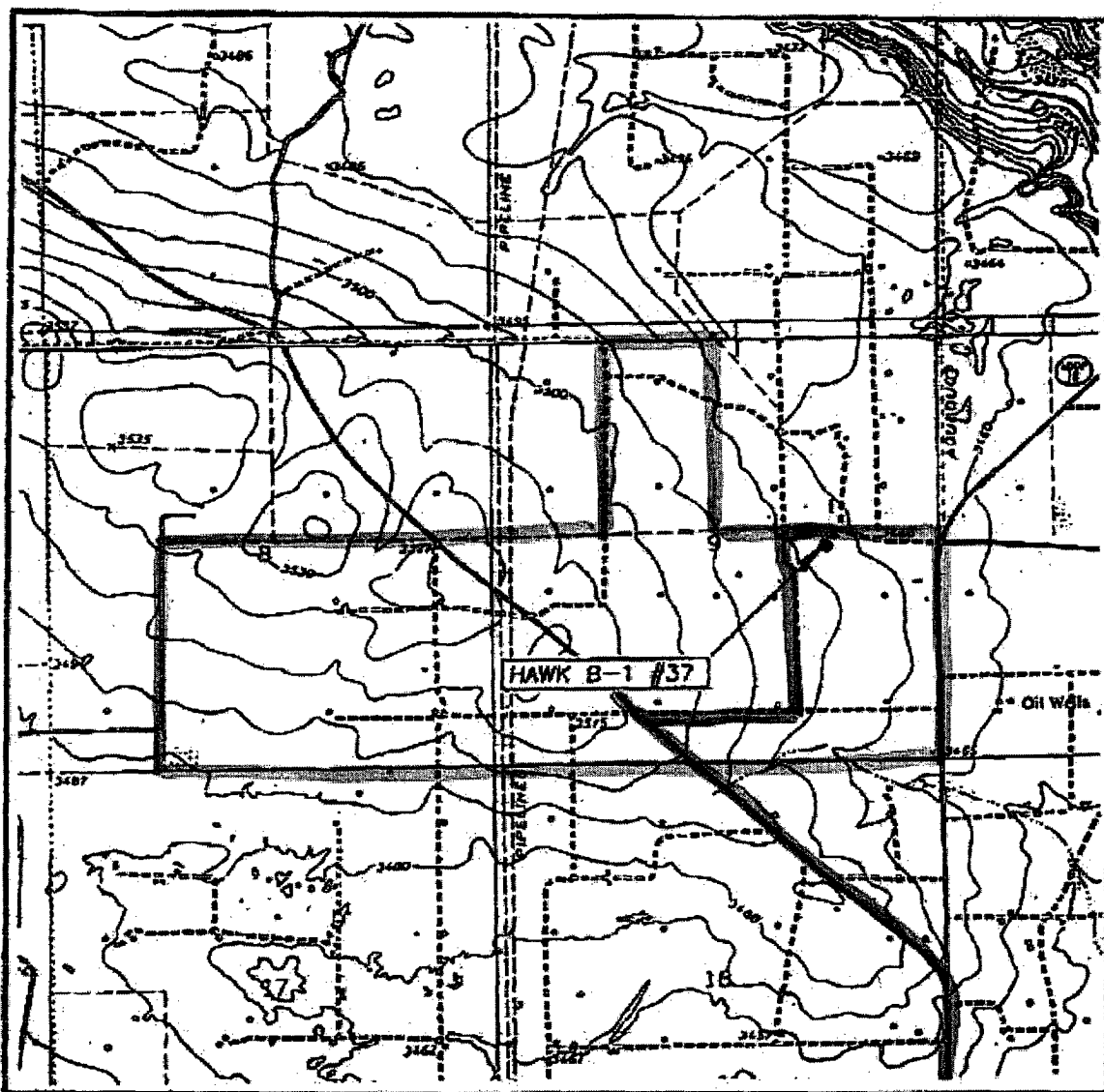
SCALE: 1" = 2 MILES

SEC. 9 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 2590' FSL & 1310' FEL
 ELEVATION 3474'
 OPERATOR APACHE CORPORATION
 LEASE HAWK B-1

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP

EXHIBIT E-2



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
EUNICE, N.M.

SEC. 9 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2590' FSL & 1310' FEL

ELEVATION 3474'

OPERATOR APACHE CORPORATION

LEASE HAWK B-1

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

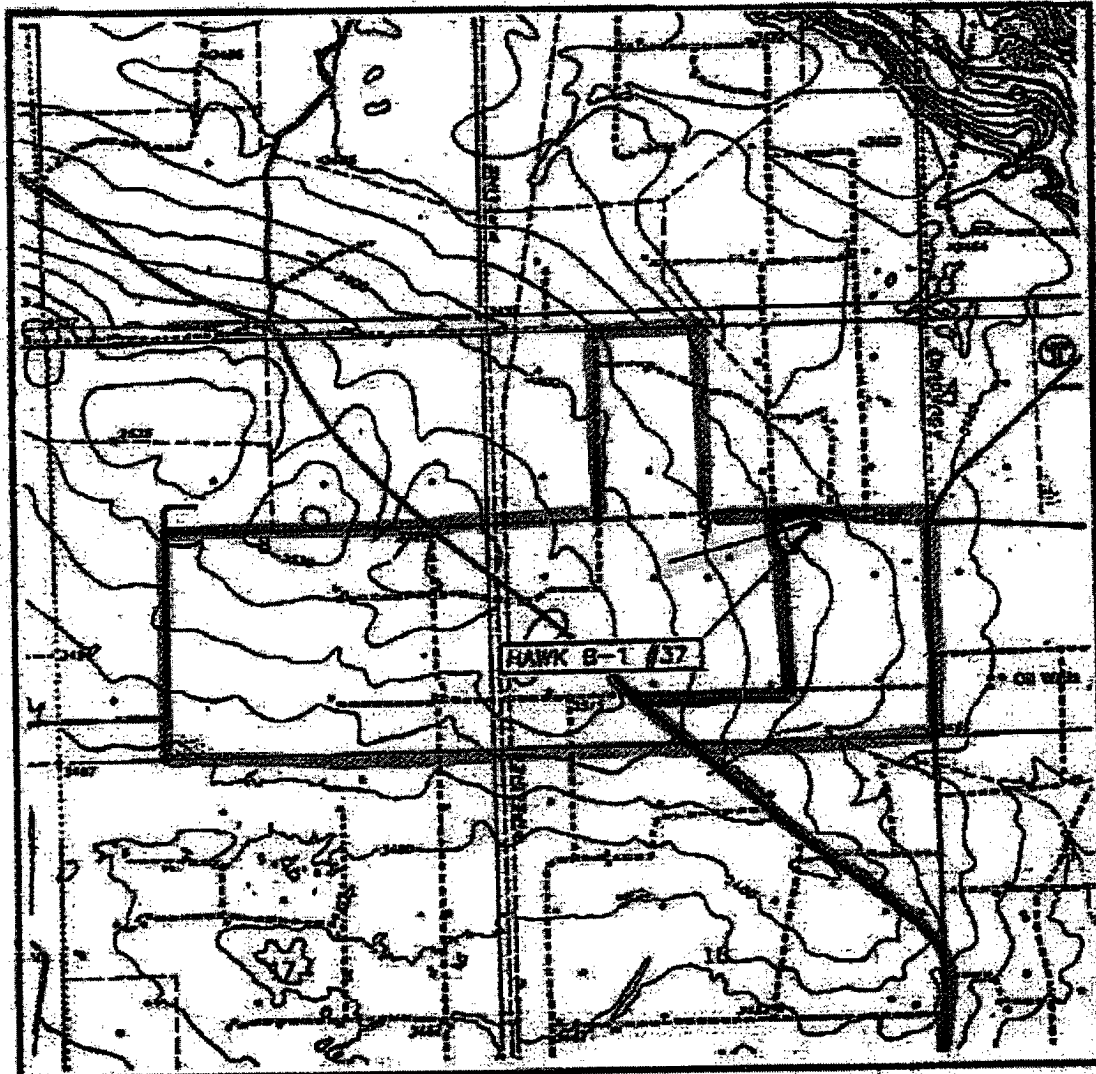
JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

ACCESS 

LEASE BOUNDARY 

LOCATION VERIFICATION MAP

EXHIBIT E-3



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
EUNICE, N.M.

SEC. 9 TWP. 21-S. RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2590' FSL & 1510' FEL

ELEVATION 3474'

OPERATOR APACHE CORPORATION

LEASE HAWK B-1

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

*1950'
Flow line*

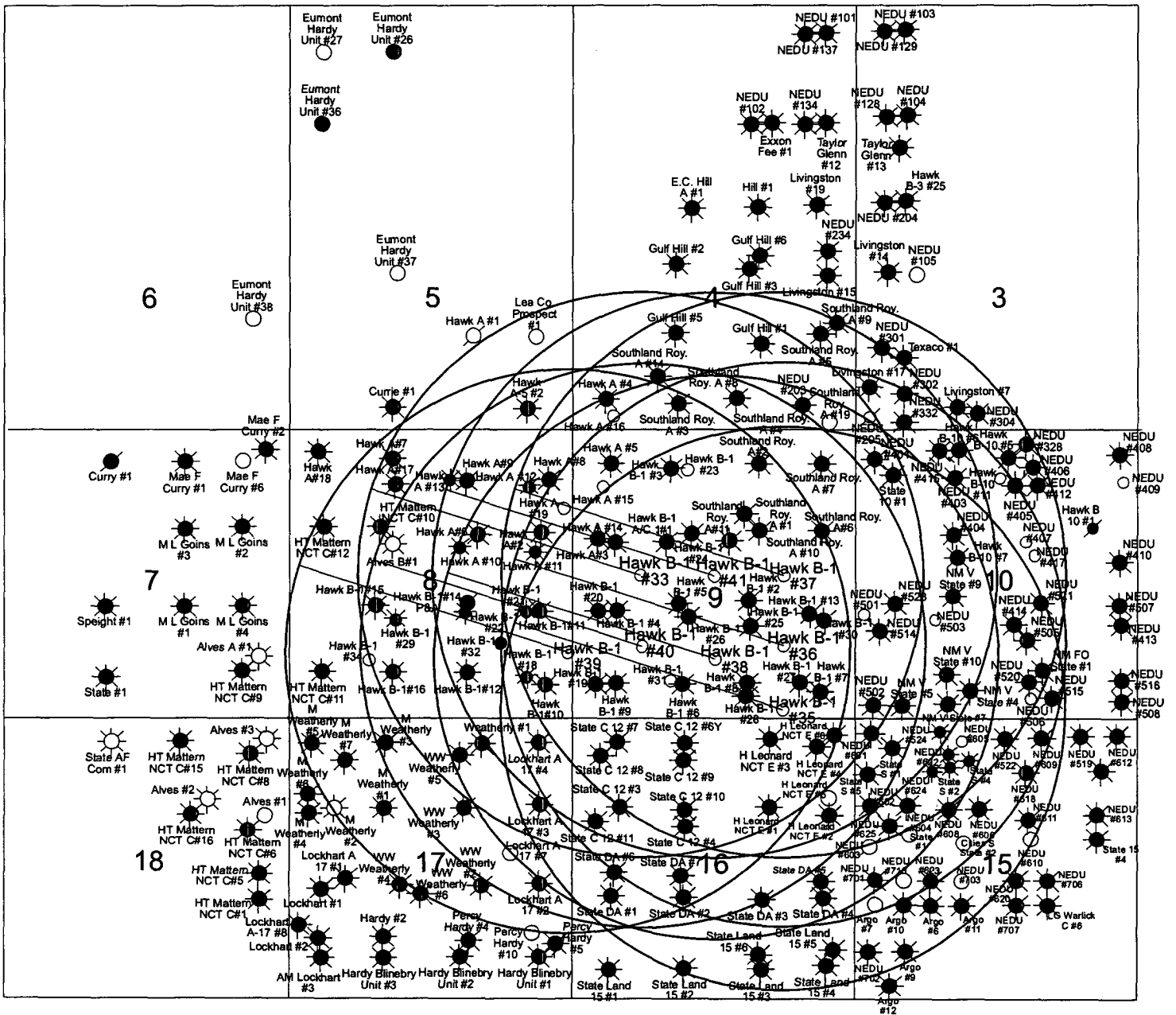
Flow-line Route

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117**

ACCESS

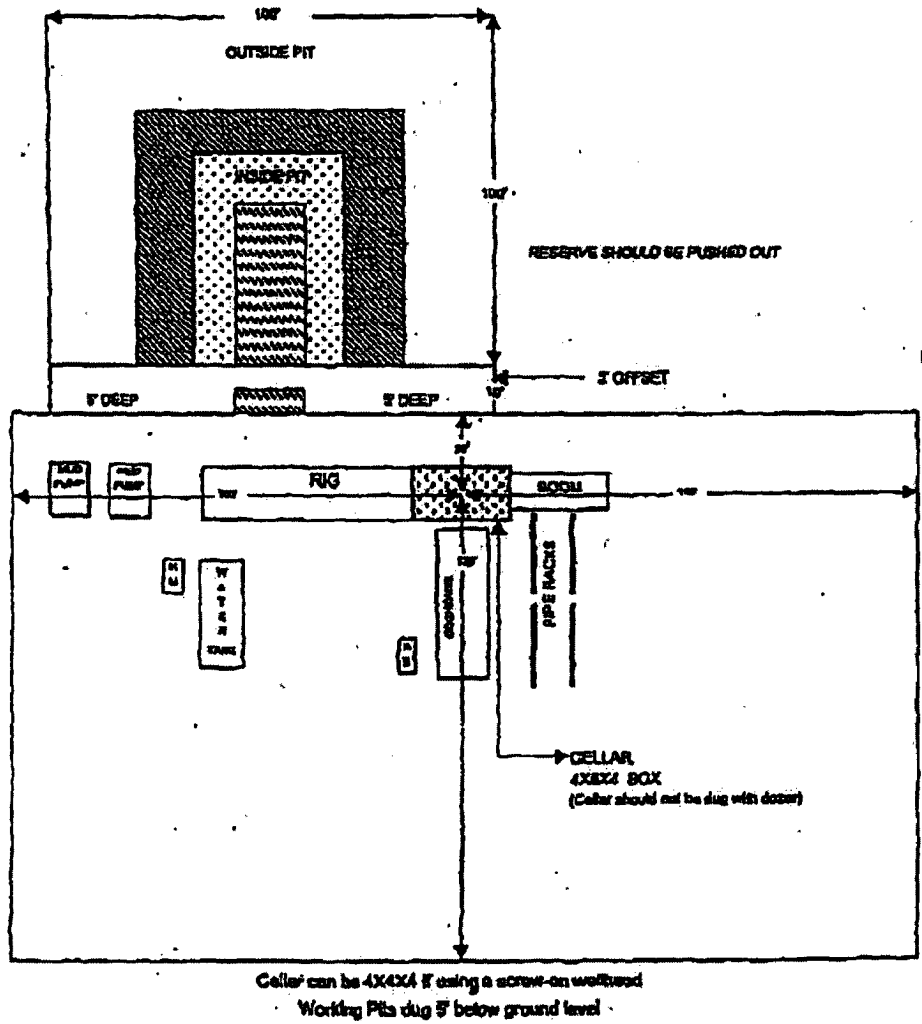
LEASE BOUNDARY

EXHIBIT "F"
Hawk B-1 #37
2590' FSL & 1310' FEL, Sec. 9, T21S-R37E
Lea County, NM



CapStar Drilling, Inc.
LOCATION SPECIFICATIONS AND RIG LAYOUT
FOR EARTH PITS

EXHIBIT G



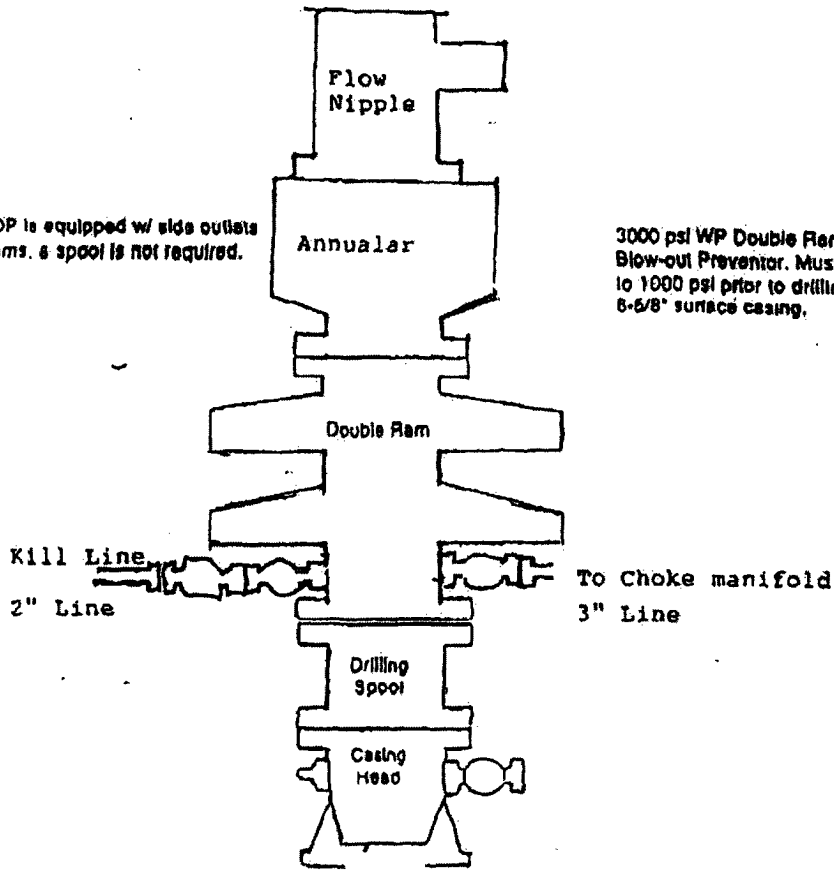
CAPSTAR DRILLING INC

EXHIBIT "H"

BOP SCHEMATIC 9" X 3000 psi

*Note: If BOP is equipped w/ side outlets below the rams, a spool is not required.

3000 psi WP Double Ram
Blow-out Preventor. Must be tested
to 1000 psi prior to drilling out
8-5/8" surface casing.



Choke Manifold Schematic

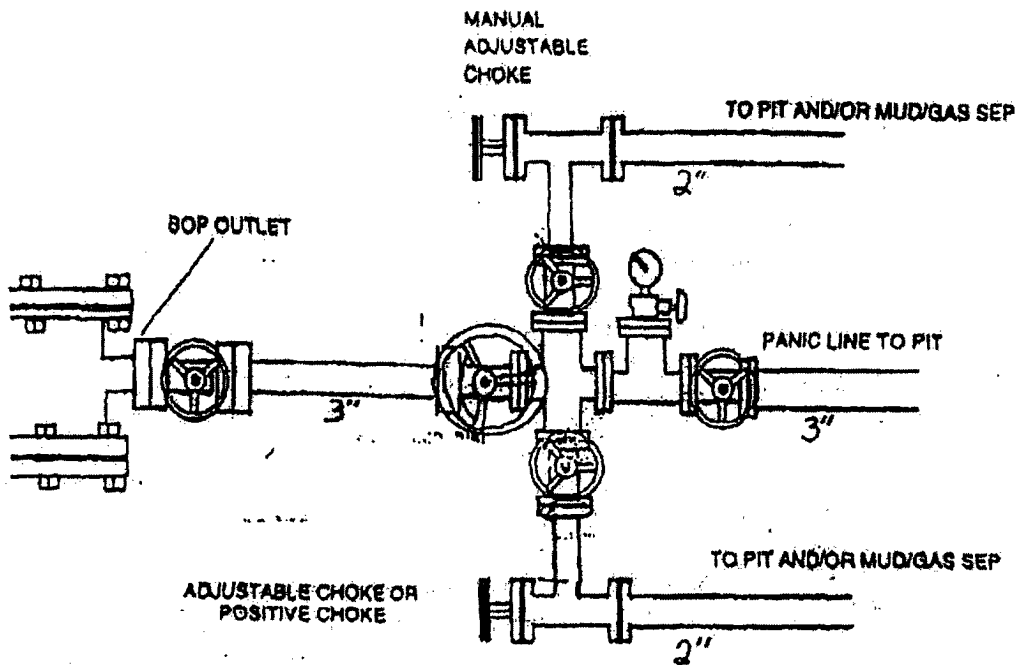


EXHIBIT "A"
HAWK B-1 #37

DRILLING PROGRAM

- I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.
 II. Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
Quaternary alluvials	Surface
Rustler	1281'
Yates	2651'
Grayburg	3752'
San Andres	4000'
TD	4150'

- III. Estimated depths at which water, oil, gas, or other mineral-bearing formations are expected to be encountered:

<u>SUBSTANCE</u>	<u>DEPTH</u>
Oil	Penrose @ 3584' Grayburg @ 3752'
Gas	None anticipated
Fresh Water	None anticipated

All fresh water and prospectively valuable minerals (as described by BLM) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows within zones of correlative rights will be tested to determine commercial potential.

- IV. A. Proposed Casing Program:

<u>HOLE</u> <u>SIZE</u>	<u>CASING</u> <u>SIZE</u>		<u>GRAD</u> <u>E</u>	<u>WEIGHT</u>	<u>DEPTH</u>	<u>SACKS</u> <u>CEMENT</u>	<u>ESTIMATED TOC -</u> <u>REMARKS</u>
	OD	ID		<u>PER</u> <u>FOOT</u>			
12 1/4"	8 5/8"		J55	24#	400'	325	TOC - Surface 8.34 ppg Water-based Mud; 83° F Est. Static Temp; 80° F Est. Circ. Temp.
	8.097		STC		<u>(Pursuant</u> <u>to Lea</u> <u>County</u> <u>Alternative</u> <u>Casing</u> <u>Program)</u>		
7 7/8"	5 1/2"		J55	17#	4150'	755	TOC - Surface Float Collar set @ 4110'/ 10.20 ppg Water-based Mud; 118° F Est. Static Temp; 101° F Est. Circ. Temp.
	4.892		LTC				

B. Proposed Cement Program:

<u>CASING</u>	<u>SLURRY</u>	<u>DISPLACEMENT</u>
8 5/8"	325 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water 437 Vol. Cu Ft 1.35 Vol. Factor Slurry Weight (ppg) 14.8 Slurry Yield (cf/sack) 1.35 Amount of Mix Water (gps) 6.35; <u>Estimated Pumping Time – 70 BC</u> <u>(HH:MM)-3:00;</u>	22.9 bbls Fresh Water @ 8.34 ppg

8 5/8" Casing: Volume Calculations:

400 ft	x	0.4127 cf/ft	with	156% excess	=	423.0 cf
40 ft	x	0.3576 cf/ft	with	0% excess	=	14.3 cf (inside pipe)
TOTAL SLURRY VOLUME					=	437.3 cf
					=	78 bbls

Spacer 30.0 bbls Water @ 8.3 ppg

<u>CASING</u>	<u>LEAD SLURRY</u>	<u>TAIL SLURRY</u>	<u>DISPLACEMENT</u>
5 1/2"	505 sacks (50:50) Poz (Fly Ash): Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.003 gps FP-6L + 10% bwoc Bentonite + 139.7% Fresh Water; 1232 Vol. Cu Ft 2.44 Vol. Factor Slurry Weight (ppg) 11.8 Slurry Yield (cf/sack) 2.44 Amount of Mix Water (gps) 14.07; Amount of Mix Fluid (gps) 14.07 <u>Estimated Pumping Time – 70 BC (HH:MM)-4:00;</u>	250 sacks (50:50) Poz (Fly Ash): Class C Cement + 5% bwow Sodium Chloride + 0.003 gps FP-6L + 2% bwoc Bentonite + 58.7% Fresh Water 323 Vol. Cu Ft 1.29 Vol. Factor Slurry Weight (ppg) 14.2 Slurry Yield (cf/sack) 1.29 Amount of Mix Water (gps) 5.91; Amount of Mix Fluid(gps) 5.91; <u>Estimated Pumping Time – 70 BC (HH:MM)-3:00;</u>	95.4 bbls Fresh Water @ 8.34 ppg

5 1/2" Casing: Volume Calculations:

400 ft	x	0.1926 cf/ft	with	0% excess	=	77.0 cf
2915 ft	x	0.1733 cf/ft	with	154% excess	=	1203.1 cf
835 ft	x	0.1733 cf/ft	with	120% excess	=	318.2 cf
40 ft	x	0.1305 cf/ft	with	0% excess	=	5.2 cf (inside pipe)
TOTAL SLURRY VOLUME					=	1683.5 cf
					=	300 bbls

All slurries will be tested prior to loading to confirm thickening times and a lab report furnished to Apache. Fluid loss will be tested and reported on slurries with fluid loss additives. Lab test report will be furnished prior to pumping cement.

V. A. Proposed Mud Program

<u>DEPTH</u>	<u>MUD PROPERTIES</u>	<u>REMARKS</u>
0 – 400'	Weight: 8.6 – 9.2 ppg Viscosity: 32 – 50 sec/qt Plastic Viscosity: 2-10 cps Yield Point: 6-15 lbs/100' pH: 9-10 Filtrate: NC Solids: <4 % volume Chloride: <4,000 mg/L	Spud with Fresh Water AQUAGEL EZ-Mud, LCM, Lime. Add AQUAGEL and LIME to Fresh Water to build desired viscosity for hole cleaning, restricting system to steel pits. Additions of Fresh Water at the flowline will aid in controlling viscosity. HY-SEAL "sweeps" as needed for extra hole cleaning, seepage and severe losses. Should total circulation loss be encountered, add up to 20 ppb. LCM (BARO-SEAL = Maxiseal); (HY-SEAL = Drilling Paper); (PLUG-GIT = Cedar Fiber) and spot in loss zone. If returns cannot be established, then "dry-drill" to set surface casing.
400' – 4000'	Weight: 9.2 ppg Viscosity: 30 – 32 sec/qt Plastic Viscosity: 0-1 cps Yield Point: 0-1 lbs/100' pH: 9-10 Filtrate: NC Solids: <1 % volume Chloride: < 30K mg/L	Drill out from under the surface casing with Fresh Water. HY-SEAL should be added at 2 bags after every 100' drilled, if you have and drag or torque on connections. Begin adding 10 # Brine 100' before drilling salt formation for 9.7 + weight. LIME applications should be continued during this interval for a pH of 9.0-10.0, in addition, to flocculate solids and to minimize corrosion. Additions of CAUSTIC SODA may be needed to maintain pH at 9-10.
4000' – 4150'	Weight: 9.1 – 10.3 ppg Viscosity: 30 – 32 sec/qt Plastic Viscosity: 3-10 cps Yield Point: 4-6 lbs/100' pH: 9-10 Filtrate: 10-15 cm/30 min Solids: <2-4 % volume Chloride: < 170K mg/L	From 4000' to Total Depth, it is recommended the system be restricted to the steel pits, and, with Brine, mud up as follows: while circulating through the steel pits, add 3-4 #/bbl IMPERMX (starch) to lower fluid loss below 15 cc. If lost circulation is encountered, mix a viscous pit of mud and add 15 ppb LCM (Add 5#/bbl of the following: BARASEAL, HYSEAL & PLUG-GIT) and continue to drill. Sweep the hole with a viscous pill prior to coming out of the hole to log

VI. Proposed Control Equipment:

Will install on the 8 5/8" surface casing a 9" x 3000 psi WP Double Ram BOP and will test before drilling out of surface casing. **As expected pressures will not exceed 2000 psi, we request a waiver of the remote control requirement on the accumulator of the 3M BOP and a variance to run a 2M BOP, if available, and to test to 1500 psi using rig pumps.** See Exhibit "H" for BOP layout.

VII. Auxiliary Equipment:

- 9" x 3000 psi double BOP/blind & pipe ram (**2M BOP if available**)
- 4 1/2" x 3000 psi Kelly valve
- 9" x 3000 psi mud cross – H₂S detector on production hole
- Gate-type safety valve 3" choke line from BOP to manifold
- 2" adjustable chokes – 3" blowdown line

VIII A. Testing Program: None planned

B. Logging Program: The following logs may be run:

CNL, LDT, GR, CAL, DLL, MSFL, NGT from TD-2400'

CNL, GR from TD-Surface

C. Coring Program: None planned

IX. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. The estimated maximum bottom hole pressure is 1980 psi.

EXHIBIT "B"
HAWK B-1 #37

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

No H₂S is anticipated.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN
CULTURAL RESOURCES SURVEY
APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: **HAWK B-1 #37**
OPERATOR: **APACHE CORPORATION**

LOCATION: NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 9, T21S-R37E, N.M.P.M.
LEA COUNTY, NEW MEXICO

SUBMITTED TO:

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
2909 WEST 2ND STREET
ROSWELL, NEW MEXICO 88201
TELEPHONE (505) 627-0272

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, if other than the United States of America, as well as the Roswell District Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1:

- 1) Surface Location:
NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
2590' FSL, 1310' FEL, Unit I
See attached Exhibits "D" and "E"
- 2) Bottom Hole Location:
NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
2590' FSL, 1310' FEL, Unit I
See attached Exhibits "D" and "E"
- 3) Leases Issued: NM-90161
- 4) Record Lessee:

Apache Corporation	50%
BP America Production Co.	25%
Chevron USA Inc.	25%

- 5) Acres in Lease:
Township 20 South, Range 37 East, NMPM
 Section 13: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$
Township 20 South, Range 38 East, NMPM
 Section 30: Lot 1
Township 21 South, Range 37 East, NMPM
 Section 4: Lots 3, 6
 Section 6: NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 8: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
 Section 9: S $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

Total Acres: 958.25

- 6) Acres Dedicated to Well:
 There are 40.00 acres dedicated to this well, which takes in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

PART #2:

- 1) Existing Roads:
 Exhibits "E-1" & "E-2" comprise maps showing the proposed well site in relation to existing roads and State Highway 18. The well is \pm 3 miles northwest of Eunice, New Mexico. From Eunice, go north approximately 2.5 miles on State Highway 18. Turn northwest on existing lease roads to location as illustrated on Exhibit "E-2".
- 2) Planned Access:
 A. Length and Width: Existing lease/access roads will be used into the well site. Application for a buried pipeline will be made if it becomes necessary.
 B. Construction: The existing roads will be lightly graded and topped with compacted caliche as needed.
 C. Turnouts: None required.
 D. Culverts: None required.
 E. Cuts and Fills: As needed.
 F. Gates and Cattleguards: None required.
- 3) Location of Existing Wells:
 Exhibit "F" shows existing wells within a 1-mile radius of the proposed well.
- 4) Location of Existing and/or Proposed Facilities:
 A. There are production facilities within the area of the Northeast Drinkard Unit, which is adjacent to the wellsite.
 B. If the oil well proves to be commercial, any necessary production facilities will be installed on the drilling pad, and flow lines will be installed along the proposed and existing roads to the production facilities and storage tanks. See Exhibit "E-3" for flow-line route.
- 5) Location and Type of Water Supply:
 Apache Corporation plans to drill the proposed well with fresh and brine water which will be transported by truck over proposed and existing access roads.
- 6) Source of Construction Materials:
 Caliche for surfacing access roads and the wellsite pad will be obtained from the location itself or from BLM pits in the area.
- 7) Method of Handling Waste Material:
 A. Drill cuttings will be disposed of in the reserve pits.
 B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
 C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
 D. Water produced during operations will be collected in tanks until hauled to an approved disposal system.
 E. Oil produced during operation will be stored in tanks until sold.
 F. Apache Corporation will comply with current laws and regulations pertaining to the disposal of human waste.

G. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

8) Ancillary Facilities: None planned.

9) Well Site Layout:

A. Exhibit "G" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area have been staked and flagged.

B. Mat Size: 140' x 200' plus reserve pits as shown on Exhibit "G".

C. Cut & Fill: Only minor leveling of the drilling site is anticipated.

D. The surface will be topped with compacted caliche and the reserve pits will be lined with 6 mil plastic.

10) Plans for Restoration of the Surface:

A. After completion of drilling and/or completion operations, all equipment and other material, not needed for operations, will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the proposed well is non-productive, Apache Corporation will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11) Other Information:

A. Topography: The wellsite and access road are located in the Querecho Plains and are relatively flat.

B. Soil: The proposed location, access road and production facilities consist of sandy soil. Slope in the proposed area ranges from zero (0) to five (5) degrees.

C. Flora and Fauna: Vegetation is one of a grassland environment and a scrub-grass, scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.

D. Ponds and Streams: There are no ponds, lakes, streams or feeder creeks in the immediate area.

E. Residences and Other Structures: There are no occupied residences or other structures on or near the proposed location.

F. Land Use: The land is used for grazing cattle.

G. Surface Ownership: The surface is owned by the Trustee of the Millard Deck Estate, c/o Tim Wolters, Bank of America, P. O. Box 270, Midland, TX 79702, 915-685-2864. A Surface Damage Release agreement for this tract has been executed by the Millard Deck Estate and Apache Corporation.

H. Archaeological, Historical, and Other Cultural Sites:

Don Clifton, Archaeological Consultant, of Pep, New Mexico, will be conducting an archaeological survey of the proposed HAWK B-1 #37 well which covers the drilling location, production facilities, and access road, including a corridor along said access road for power and flow lines. His report will be filed under separate cover.

I. Senior Representative (Manager, Engineering & Production):

Jim McKinney
Apache Corporation
Suite 1500 – Two Warren Place
6120 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 491-4800

Project (Operations Engineer):

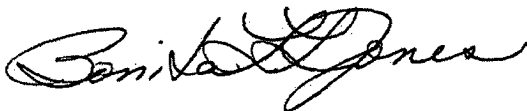
Kevin Mayes
Apache Corporation
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Drilling Operations (Operations Engineer):

Glenn Bone
Apache Corporation
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6120 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 491-4907

CERTIFICATION

I hereby certify that Apache Corporation has inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Apache Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Bonita L. L. Jones, RLP, Consulting Landman
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E-Mail: bonita@dfn.com

Date: _____ 11-3-03 _____